

EXHIBIT G

HEALTH CARE PROFESSIONAL LIABILITY POLICY COVER PAGE

THIS POLICY CONTAINS COVERAGES WRITTEN ON A "MODIFIED CLAIMS-MADE" BASIS.

In consideration of the payment of the premium, and in reliance upon the statements and representations in the applications for insurance and the **Coverage Summary**, we agree to provide the insurance contained in the **policy**.

THE COMPANY: ProNational Insurance Company

AGENT: CLA Insurance

CLA Building
2 Campus Blvd
Newtown Square, PA 19073

POLICYHOLDER: Mercer-Bucks Orthopaedics Pc
3120 Princeton Pike
Lawrenceville, NJ 08648

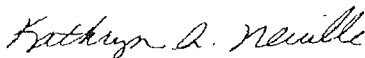
POLICY NUMBER: MP41275

The **policy** consists of this **Cover Page** and the following forms (together with any endorsements issued from time to time).

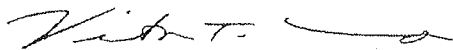
<u>Title</u>	<u>Form Number</u>
Coverage Summary	PRA-HCP-020-07 02
Healthcare Professional Liability Policy	PRA-HCP-030-06 02
Professional Legal Defense Coverage Part - Extended Form	PRA-HCP-071-06 02
Part-Time Endorsement	PRA-HCP-200-07 02
Shared Limit Endorsement Insured Paramedical Employees	PRA-HCP-303-06 02
Renewal Endorsement	PRA-HCP-500-06 02
New Jersey State Law Endorsement	PRA-HCP-606-07 02.NJ

If any provision of the **policy** changes, we will issue an endorsement stating the effective date of any changes. Terms appearing in the **policy** in **bold face print** are defined in the Definitions section.

IN WITNESS WHEREOF, we have caused the **Cover Page** to be signed by our President and Secretary. The **policy** is effective only if countersigned on the **Coverage Summary** by our duly authorized representative.



Kathryn A. Neville, JD, CPCU
Secretary



Victor T. Adamo, JD, CPCU
President and CEO

HEALTH CARE PROFESSIONAL LIABILITY POLICY COVERAGE SUMMARY

1. Policyholder's Name and Address:

Mercer-Bucks Orthopaedics Pc
3120 Princeton Pike
Lawrenceville, NJ 08648

2. Policy Number: MP41275

3. Policy Period: From 12/31/2002 to 12/31/2003 12:01 a.m. Standard Time at the address of the **policyholder** as stated above.

4. Total Premium: \$245,010.00

5. Schedule of Insureds (Primary Coverage)

The following are **insureds** under the **policy**, with the following respective limits of liability:

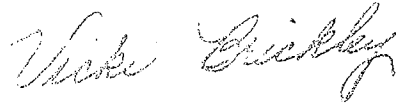
Primary Limits of Liability

<u>Name</u>	<u>Retroactive Date</u>	<u>Each Professional Incident</u>	<u>Annual Aggregate</u>	<u>Deductible</u>	<u>Premium</u>
INSURED ORGANIZATIONS					
Mercer-Bucks Orthopaedics Pc	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$22,497
INSURED PROFESSIONALS					
Daren J Aita, M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$27,791
Michael R Duch, M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$31,060
David S Eingorn, M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$32,695
Eric C Gokcen, M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$27,791
Ching-Jen Wang, M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$7,992
Thomas K Bills, M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$32,695
John P Nolan, Jr., M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$27,791
Edward J Ford, M.D.	1/1/1999	\$1,000,000	\$3,000,000	N/A	\$32,695
INSURED PARAMEDICAL EMPLOYEES					
Jeffrey Stephen Dina, P.A.	3/26/2001	\$1,000,000	\$3,000,000	N/A	\$1,262
Paul Villalon-Iglesias, P.A.	8/12/2002	\$1,000,000	\$3,000,000	N/A	\$741

6. Professional Legal Defense Coverage Premium: \$0.00 included with Policyholder premium above.

Limits of Liability NOTE: These limits apply only to legal expenses incurred by covered insureds under the Professional Legal Defense Coverage Part, and not to defense costs incurred which are otherwise covered under the Professional Liability Coverage Part or other parts of the policy.

	Each Medical
	<u>Incident</u>
Each Covered Investigation	\$25,000
Each Covered Audit	\$5,000
Each Policy Period	\$125,000



By: _____
Authorized Representative

IMPORTANT: **Your** insurance coverage does not become effective unless
a Declarations insert is issued to form part of this **policy**.

.....

NOTICE: This insurance contains claims-made coverage. Except as
may be otherwise provided herein, the specified coverage of this insur-
ance is limited generally to liability for injuries for which claims are
first made while the insurance is in force and arising out of professional
incidents that first occurred on or after the Retroactive Date shown in
the Declarations insert. Please read and review this insurance carefully
and discuss the coverage with ProNational or your insurance agent.

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WHAT TO DO IN THE EVENT OF A PROFESSIONAL INCIDENT

The professional liability coverage provided by this **policy** applies only if a **claim** is first made during the Policy Period shown in the Declarations insert. (See "WHEN A CLAIM IS FIRST MADE" on page 2 of this **policy**.)

In the event **you** become involved in a **professional incident** to which this **policy** may apply, **you** must report the details to the ProNational Claims Office or any of its authorized agents immediately.

Telephone:

(517) 349-6500

(800) 292-1036

Mailing Address:

ProNational Insurance Company
2600 Professionals Drive, Box 150
Okemos, Michigan 48805-0150
Attn: Claims Department

For additional information about **your** duties in the event of a **claim**, please refer to the section entitled "YOUR DUTIES IN THE EVENT OF A PROFESSIONAL INCIDENT, CLAIM OR LEGAL PROCEEDING" on page 7 of this **policy**.

DEFINITIONS

WHEN USED IN THIS POLICY, IN THE DECLARATIONS INSERT AND ANY ENDORSEMENT FORMING A PART OF THIS POLICY, THE FOLLOWING TERMS HAVE THE FOLLOWING MEANING:

CLAIM - Notification to ProNational or any of its authorized agents of a **professional incident** to which this **policy** applies.

DAMAGES - Compensation payable through a **legal proceeding**, or the settlement thereof, because of bodily injury, sickness, disease, or death sustained by a patient, arising from a **professional incident** covered under this **policy**. "Damages" does not include interest, **expenses**, or any other costs. (See "EXPENSES: BENEFITS PROVIDED TO YOU" for a description of the costs and interest payable through this **policy**.)

DENTIST - A person licensed to practice as a **dentist** and/or oral surgeon.

EXPENSES - Those items as described under "EXPENSES: BENEFITS PROVIDED TO YOU."

HEALTH CARE PROVIDER - Any licensed **physician** and/or **dentist** and any other licensed health care professional.

INSURED— With respect to Coverage A, **insured** means the entity that is shown as the **Named Insured** in the Declarations insert. The term **insured** also includes, under Coverage A, a person, other than a **physician** or **dentist**, but only with respect to **professional incidents** arising within the scope of employment or association with the **Named Insured** and that first occurred on or after the Retroactive Date shown in the Declarations insert. The term **insured** also includes, under Coverage A, a stockholder or partner of the **Named Insured**, but only for their liability as a stockholder or partner with respect to **professional incidents** of the **Named Insured** that first occurred on or after the Retroactive Date shown in the Declarations insert. The term **insured** also includes, under Coverage A, any member of a peer review committee of the **Named Insured** providing peer review services to the **Named Insured**. However, the term **insured** under Coverage A does not include any person who is insured for the same **professional incident** under Coverage B of this **policy**.

With respect to Coverage B, **insured** means: (i) each **health care provider** listed in the Schedule of Covered Health Care Providers attached to this **policy**, but only with respect to **professional incidents** that first occurred on or after the individual Retroactive Date shown for that **health care provider** in the Schedule of Covered Health Care Providers; and (ii) each **health care provider** who was previously listed in the Schedule of Covered Health Care Providers of this or any preceding ProNational corporation **policy** issued to the **Named Insured** or any predecessor organization during a period of continuous coverage, but only with respect to **professional incidents** that first occurred between the individual Retroactive Date for that **health care provider** and the date that the **health care provider** terminated his or her employment or association with the **Named Insured**. **Insured** does not mean any **health care provider** who has been issued a TailCare™ Policy that provides the **health care provider** with an individual extended reporting period of unlimited duration for **claims** that otherwise would have been reportable under this **policy**.

The term **insured** also includes "you," "your" and "your estate."

LEGAL PROCEEDING - A court lawsuit, arbitration proceeding, or a demand for **damages** (whether or not a court lawsuit or arbitration proceeding has been filed).

NAMED INSURED - The individual **organization** shown in the Declarations insert. The **Named Insured** listed first in the Declarations insert is the "first **Named Insured**."

PHYSICIAN - A person licensed to practice as an allopathic, osteopathic or podiatric **physician** and/or surgeon.

POLICY - The complete document of insurance consisting of this **policy** form, the Declarations insert, Schedule of Covered Health Care Providers and all endorsements issued by **ProNational**.

PROFESSIONAL INCIDENT - An act or omission (or series of related acts or omissions), that first occurs on or after the Retroactive Date shown in the Declarations insert, in the furnishing of **professional services** to a patient, that may result in **your** liability for **damages**. Furnishing of **professional services** to a mother and fetus or fetuses from pre-conception through postpartum care constitutes the treatment of one patient for purposes of this **policy**.

PROFESSIONAL SERVICES — The delivery of medical or dental services by **you** to a patient. Under Coverage B, professional services also includes the activities of the Scheduled **health care provider**: (i) as the supervisor of the activities of another person who renders medical or dental services to a patient while acting under the direction and control of the Scheduled **health care provider**, if the Scheduled **health care provider** is legally responsible for the acts or omissions of the other person; and, (ii) as a member of a scientific committee or professional standards board or committee of the American Medical Association, American Osteopathic Association, American Podiatric Medical Association, American Dental Association, and any state, county, district or specialty medical or dental society, whether or not such participation is directly related to the furnishing of **professional services** to a patient; and, (iii) as a member of a peer review or quality assurance committee of a licensed hospital.

PRONATIONAL - ProNational Insurance Company.

COVERAGE

1. WHAT THIS POLICY INSURES

In consideration of the payment of the premium, and in reliance upon **your** statements made to **ProNational** on the application for professional liability insurance and subject to the definitions, exclusions, conditions and requirements, limitations and other terms set forth in this **policy**, including the Declarations insert and all endorsements to this **policy**:

COVERAGE A – Corporation, Partnership, Professional Corporation, Professional Service Corporation, Professional Association, or Professional Limited Liability Company or Partnership or Other Similar Entity Coverage

ProNational agrees to pay on **your** behalf sums, that are in excess of any deductible shown in the Declarations insert, that **you** become legally obligated to pay as **damages** because of a **professional incident** to which this **policy** applies, which results from the rendering of, or failure to render, **professional services** by **you** or a person for whom **you** are legally responsible that first occurred on or after the Retroactive Date shown in the Declarations insert and for which a **claim** is first made during the Policy Period.

COVERAGE B – Individual Health Care Provider Professional Liability Coverage

ProNational agrees to pay on **your** behalf sums, that are in excess of any deductible shown in the Declarations insert, that **you** become legally obligated to pay as **damages** because of a **professional incident** to which this **policy** applies, which results from **your** rendering of, or failure to render, **professional services** in the practice of **your** profession that first occurred on or after **your** individual Retroactive Date shown in the Schedule of Covered Health Care Providers and for which a **claim** is first made during the Policy Period.

2. PRONATIONAL'S DUTY OF DEFENSE

ProNational has the right and duty to defend any **legal proceeding** brought against **you** for **damages** because of a **professional incident** to which this **policy** applies, even if the allegations in the **legal proceeding** are groundless or otherwise without merit.

ProNational will select and retain legal counsel to defend **you** under this **policy**. **ProNational** will not pay fees and expenses of private legal counsel not retained by **ProNational**. If a **claim** includes one or more **insureds**, **ProNational** may retain the same legal counsel to defend all **insureds** covered under this **policy**. **ProNational** will provide a defense for the **insured** until i) final judgment or other disposition of the **claim** is obtained, or ii) following proceedings at the trial court level and at **ProNational's** sole discretion, all feasible remedies by appeal, writ of error, or other **legal proceedings** have been exhausted.

ProNational has the right to settle, with the consent of the first **Named Insured**, any **legal proceeding** which **ProNational** may deem advisable. The consent of the first **Named Insured** will not be required if the first **Named Insured** cannot be located and contacted after reasonable efforts are made by **ProNational**.

3. WHEN A CLAIM IS FIRST MADE

The coverage provided under this **policy** applies only if a **claim** is first made during the Policy Period. A **claim** is first made on the date that **ProNational** or any of its authorized

agents receives notification from **you** or a third party that a **legal proceeding** has or may be commenced against **you** as a result of a **professional incident** covered under this **policy**. **You** are required to provide notification in the form specified under "YOUR DUTIES IN THE EVENT OF A PROFESSIONAL INCIDENT, CLAIM OR LEGAL PROCEEDING" as soon as possible.

All **claims** arising from a **professional incident**, regardless of the number of **claims** asserted by **insureds** or third parties, shall be deemed to be one **claim** and to have been made at the time the first of the **claims** is made. The coverage provided by this **policy** does not apply to **professional incidents** that first occurred before the Retroactive Date shown in the Declarations insert.

4. EXCLUSIONS

This **policy** does not apply to:

- (a) Under Coverage B - Individual Health Care Provider Professional Liability - Any liability as a partner, shareholder, trustee, officer, director, or member of any partnership, corporation, professional corporation, professional service corporation, professional limited liability company or partnership, association or other similar entity. (Partnership, corporation, professional corporation, professional association, professional limited liability company or partnership or other similar entity coverage under this **policy** is as provided under Coverage A.)
- (b) Any liability as an owner or officer of a health care entity, not listed on the Declarations insert such as: a hospital, sanitarium, clinic with bed and board facilities, nursing home facility, convalescent hospital, laboratory facility, professional review organization, health maintenance organization, preferred provider organization, independent practice association or other similar health care entity. For purposes of this exclusion, "officer" means: a medical or dental director, superintendent, director, officer, trustee, administrator, committee member (other than a peer review or quality assurance committee of a licensed hospital), or utilization review panel member. This exclusion does not apply to **professional incidents** relating to laboratory services for **your** patients who are otherwise receiving **professional services** from **you**.
- (c) Any liability for workers' compensation, employers liability, unemployment compensation, disability benefits, automobile liability, fire liability, pollution liability, and general liability, whether or not covered by an insurance policy.
- (d) Any procedure which at the time of performance is in violation of any limitation clause included in the Declarations insert or an endorsement to this **policy**.
- (e) Any liability of another person or entity that the **Named Insured** assumes through a written or oral agreement. This exclusion does not apply to the liability of another person or entity for **damages** that is contractually assumed by the **Named Insured** or Scheduled **health care provider** provided that: (i) the **damages** are payable as a result of a **professional incident** covered under this **policy**; (ii) coverage is available to **you** under this **policy** for the **professional incident**; and (iii) **ProNational** is provided the opportunity to defend the **legal proceeding**. Coverage for contractually assumed liability does not extend to the acts and omissions of any person or entity other than **you**. **ProNational's** obligation to pay **damages** and **expenses** is limited as specified under this **policy**.
- (f) Any administration of deep sedation or general anesthesia (i.e., producing a state of unconsciousness by means of anesthetic agents) by **you**, unless **you** are shown in the Schedule of Covered Health Care Providers as (i) an anesthesiologist; (ii) oral surgeon; or (iii) a certified registered nurse anesthetist. This exclusion does not apply in the case of a bona fide emergency where anesthesia services are not available or to a licensed certified registered nurse anesthetist who is insured under Coverage A of this **policy**.
- (g) Any **professional incident** occurring while **you** are not licensed to practice as required by law, or if the **professional incident** involves the prescription or dispensing of controlled substances, while the **you** are not licensed or registered to do so.
- (h) Any attendance at, or supervision of, labor and delivery, including supervision of a midwife assisting in labor and delivery, in any place other than a licensed hospital. This exclusion does not apply in the case of a bona fide emergency.
- (i) Any willful, fraudulent, reckless, wanton, unlawful, criminal, or malicious act or malicious omission, including, but not limited to, false arrest, detention or imprisonment, malicious prosecution, abuse of process, interference with an advantageous or contractual relationship, deceptive advertising, unfair trade or business practices, misappropriation of trade secrets, conspiracy to do an illegal or tortious act, discrimination, constitutional or civil rights violations, or violation of state or federal antitrust or unfair competition laws.
- (j) Libel, slander, or making statements that harm a person's reputation or violate a person's right of privacy unless required or permitted by law.
- (k) Any act of sexual misconduct, sexual molestation or physical or mental abuse, whether under the guise of treatment or otherwise, if **you** actively participate in, facilitate, or knowingly permit any such conduct.

- (l) The transmission of the hepatitis virus or the human immunodeficiency virus (HIV), when **you** know **you** are infected, unless **you** have complied with the then current state and federal guidelines, including the Centers for Disease Control and Prevention, pertaining to treatment activities by infected health care workers.
- (m) Any fines, penalties, sanctions, punitive damages, exemplary damages, treble damages, or any other damages resulting from multiplication of compensatory damages. If a suit seeks both **damages** covered under this **policy** and one or more types of damages excluded by the preceding sentence, **ProNational** will provide a defense as otherwise required by this **policy**.
- (n) Any rendering of, or failure to render, **professional services** while **you** are impaired by alcohol or drugs. This exclusion does not apply to any **Named Insured** that did not personally participate in, facilitate, and/or knowingly permit the conduct that is described in this exclusion.

Exclusions (g), (l), and (n) do not apply to any **Named Insured** that did not personally participate in, facilitate, and/or knowingly permit the conduct that is described in the exclusion.

5. LIMITS OF LIABILITY OF YOUR COVERAGE

The Limits of Liability applicable to a **professional incident** shall be the Limits of Liability in effect when a **claim** is first made. (See "WHEN A CLAIM IS FIRST MADE.")

COVERAGE A

With respect to Coverage A of this **policy**, the Limits apply to the amount of **damages ProNational** will pay, regardless of the number of **insureds** covered under this **policy**. The Limits of Liability are shown in the Declarations insert. The first is the per incident limit which is the maximum amount **ProNational** will pay for **damages** arising from a **professional incident**, regardless of the number of **Named Insureds** and additional **insureds** covered under Coverage A, and regardless of the number of claimants or **claims** asserted. All **damages** arising out of the rendering of or failure to render **professional services** to any one patient shall be deemed to be one **professional incident** and shall be subject to a single per incident limit of liability regardless of the number of **Named Insureds** and additional **insureds** covered under this **policy** and regardless of the number of claimants or **claims** asserted. The second is the annual aggregate limit, which is the total sum **ProNational** will pay for **damages** resulting from all covered **claims** first made during the Policy Period under Coverage A.

COVERAGE B

With respect to each **health care provider** covered under Coverage B of this **policy**, the Limits apply to the amount of **damages ProNational** will pay. The Limits of Liability are shown in the Declarations insert. The first is the per incident limit which is the maximum amount **ProNational** will pay for **damages** arising from a **professional incident**, regardless of the number of claimants or **claims** asserted. All **damages** arising out of the rendering of or failure to render **professional services** to any one patient shall be deemed to be one **professional incident** and shall be subject to a single per incident limit of liability regardless of the number of **Named Insureds** and additional **insureds** covered under this **policy** and regardless of the number of claimants or **claims** asserted. The second is the annual aggregate limit, which is the total sum **ProNational** will pay for **damages** resulting from all covered **claims** first made during the Policy Period.

COVERAGE A AND B

Coverage A does not "stack." In the event that one or more **claims** are made for coverage under both Coverage A and Coverage B arising from the same **professional incident**, then no **damages** are payable under Coverage A and the Coverage A Limits of Liability as shown in the Declarations insert do not apply. In that event, the **insured(s)** covered by Coverage A will participate in the per incident Limit that otherwise is available under Coverage B only.

In the event that a **claim** is made solely arising from the **professional services** provided by a Scheduled **health care provider** covered under Coverage B, and the Scheduled **health care provider** has exceeded the aggregate Limit of Liability and no longer has coverage, then the Coverage A per incident Limit of Liability is reduced to 10% of the amount shown as the Coverage A per incident Limit of Liability in the Declarations insert.

COVERAGE A AND PRONATIONAL TAILCARE™ POLICY

In the event that one or more **claims** are made for coverage under both Coverage A and a **ProNational TailCare™** Policy (that has been issued to a **health care provider** previously covered by this or any preceding corporate **ProNational policy**) as a result of the same **professional incident**, the Coverage A per incident Limit of Liability is reduced to 10% of the amount shown as the Coverage A per incident Limit of Liability in the Declarations insert. The reduced per incident Limit of Liability is the maximum amount **ProNational** will pay under Coverage A for **damages** arising from the **professional incident**, regardless of the number of **Named Insureds** and additional **insureds** covered under Coverage A, and regardless of the number of claimants or **claims** asserted. The

annual aggregate Limit of Liability for Coverage A is not reduced and is the amount shown in the Declarations insert.

The preceding paragraph does not apply when a **claim** is made under Coverage A, Coverage B and a **ProNational TailCareSM** Policy (that has been issued to a **health care provider** previously covered by this or any preceding corporate **ProNational policy**). In that event, the Limits of Liability are as set forth in the section above entitled "Coverage A and B."

DEDUCTIBLE

The deductible shown in the Declarations insert, if any, is applicable to **expenses** and **damages** for each **professional incident** and shall be paid by the first **Named Insured** to **ProNational** within 30 days after written notice from **ProNational**. The deductible amount includes payment for **expenses** whether or not payment for **damages** is made by **ProNational**. The deductible is part of, and not in addition to, the Limits of Liability as shown in the Declarations insert.

6. EXPENSES: BENEFITS PROVIDED TO YOU

In addition to the Limits of Liability of **your** coverage, and subject to any deductible amount, **ProNational** will pay:

- (a) The lawyers' fees and all other fees, costs and **expenses** incurred by **ProNational** in the investigation, defense and settlement of a **legal proceeding**. (For purposes of calculating the portion of any deductible due, such **expenses** do not include salary of **ProNational** employees and general administrative overhead charges of **ProNational**.) The determination by **ProNational** as to the reasonableness of **expenses** shall be conclusive on all **insureds**.
- (b) Court or arbitration costs taxed against **you** in a **legal proceeding** which arise during the time that **ProNational** is defending **you**. **ProNational** will not pay costs when **ProNational** is not required to pay **damages** on **your** behalf because of an exclusion in this **policy**. (See "EXCLUSIONS.")
- (c) Interest for which **you** are liable as the result of the entry of a judgment or award and which accrues before **ProNational** has discharged, deposited in court, or tendered its payment under this **policy**, but **ProNational** will pay interest only on that portion of the judgment or award which does not exceed the Limit of Liability of **your** coverage. **ProNational** will not pay interest when **ProNational** is not required to pay **damages** on **your**

behalf because of an exclusion in this **policy**. (See "EXCLUSIONS.") **ProNational** will not pay interest on settlements, consent judgments, or other stipulated judgments or awards.

- (d) Premiums on appeal bonds, but only to the extent of that portion of a judgment or award which does not exceed the per incident Limit of Liability of **your** coverage. **ProNational** has no obligation to apply for or furnish any such bonds.

GENERAL CONDITIONS AND REQUIREMENTS

THIS SECTION CONTAINS GENERAL CONDITIONS AND REQUIREMENTS WHICH APPLY TO ALL SECTIONS OF THIS POLICY AND EXPLAINS PRONATIONAL'S DUTIES TO YOU AND THE DUTIES WHICH YOU HAVE UNDER THIS POLICY.

1. THE APPLICATION FOR THIS POLICY

ProNational has issued this **policy** in reliance upon the accuracy and completeness of the statements made in the application for coverage. **You** shall immediately inform **ProNational** of any material changes in the information furnished to **ProNational** in the application for coverage or otherwise. "Material changes" include, but are not limited to, changes in **your** practice specialty, changes in **your** practice or hospital affiliations or privileges, and changes in **your** license to practice medicine or dentistry or prescribe medications.

By accepting this **policy**, **you** warrant that statements on (i) the application for insurance; (ii) any application updates; (iii) the Declarations insert; or (iv) any other documents submitted to **ProNational** for purposes of obtaining, retaining, or increasing this insurance are true and correct and are a part of this **policy**. If **you** provide **ProNational** with information which conceals or misrepresents any material fact or circumstance concerning this insurance, it will result in the coverage extended under this **policy** not becoming effective or existing coverage being cancelled.

2. THE DECLARATIONS INSERT

The Declarations insert and Schedule of Covered Health Care Providers are part of this **policy** and shows the **Named Insured**, Policy Number, Policy Period, Retroactive Date, Profession, Premium, Deductible and Limits of Liability for which coverage is provided. This **policy** is not in effect unless a Declarations insert has been issued. **You** should carefully

review the Declarations insert and Schedule of Covered Health Care Providers. By accepting this **policy**, you agree that the information shown in the Declarations insert and Schedule of Covered Health Care Providers is correct.

The first **Named Insured** will act on behalf of all **insureds** to change this **policy**, receive return premium, if any, give or receive notice of cancellation and notice of right to acquire an extended reporting period endorsement, give consent to settle a **legal proceeding**, accept any endorsements issued to form a part of this **policy**, and pay any required deductible amounts.

3. THE POLICY PERIOD

All references to time mean the time in effect at the address of the first **Named Insured** as shown on the Declarations insert.

This **policy** takes effect at 12:01 a.m. on the Effective Date, which is the date listed first under Policy Period in the Declarations insert.

Endorsements added to this **policy** take effect at 12:01 a.m. on the Effective Date shown in each endorsement.

This **policy** ends at 12:01 a.m. on the Expiration Date, which is the date listed last under Policy Period in the Declarations insert. If this **policy** is cancelled for any reason before the Expiration Date, this **policy** will end at 12:01 a.m. on the cancellation date, as determined in the following section entitled "CANCELLATION/NON-RENEWAL."

ProNational may, at its option, offer to renew **your** coverage at the premium rates and pursuant to the terms and conditions of coverage then applicable, provided however, that if renewed, **ProNational** may not change the Retroactive Date shown in the Declarations insert during a period of continuous coverage. If this **policy** is not renewed for any reason, the first **Named Insured** may acquire an extended reporting period endorsement as described in the section entitled "EXTENDED REPORTING PERIOD ('TAIL COVERAGE')."

4. CANCELLATION/NON-RENEWAL

This **policy** may be cancelled at any time by the first **Named Insured** by surrendering it to **ProNational** or any of its authorized agents or by mailing to **ProNational** written notice stating the date when the cancellation shall be effective. **ProNational** may cancel this **policy** at any time in accordance with **your** state's laws as stated in the attached endorsement.

If **ProNational** cancels or elects to non-renew this **policy**, **ProNational** will provide the first **Named Insured** with its **claims** history information no later than 30 days before the

termination date. In other circumstances, this information will be provided within 45 days of receipt of **your** request. The **claims** history will include a listing of all **claims** reported to **ProNational** and a brief description of the allegations. It will also provide, by **policy** year, any payments for **damages** made by **ProNational**.

5. EXTENDED REPORTING PERIOD ("TAIL COVERAGE")

a) This **policy**:

ProNational will make available for additional premium an extended reporting period endorsement, as described below, if this **policy** is cancelled or non-renewed for any reason, expires and is not renewed, or if a conditional renewal is offered by **ProNational** under terms and conditions less favorable than those of the immediately preceding **ProNational** **policy**. (For the purposes of this section, the happening of any of these events is referred to as the "termination date.") The extended reporting period endorsement, also known as "tail coverage," will provide insurance for **claims** first made during the extended reporting period, provided that the **claim** arose from a **professional incident** that first occurred between the Retroactive Date and the termination date. **If the extended reporting period endorsement is not acquired, there will be no coverage for claims first made after the termination date.**

ProNational will notify the first **Named Insured** in writing within 30 days after the termination date of the availability of and the additional premium for the extended reporting period endorsement. The first **Named Insured** will have 60 days after the termination date to provide written acceptance of and pay the additional premium for the extended reporting period endorsement. If the first **Named Insured** does not provide written acceptance of and pay the additional premium for the extended reporting period endorsement by the end of this 60 day period, **ProNational** has no further obligation to make the extended reporting period endorsement available.

ProNational will compute the additional premium for the extended reporting period endorsement in accordance with **ProNational's** rules in effect on the termination date. The extended reporting period endorsement will be effective as of the termination date and will be for an unlimited time period thereafter. **ProNational** cannot cancel the extended reporting period endorsement except for non-payment of the additional premium.

The extended reporting period endorsement is subject to the **policy** provisions, but will provide Limits of Liability,

separate from and except as provided below, equal to those applicable under the **policy** in effect on the termination date. These separate Limits of Liability will apply only to **claims** first made during the extended reporting period and do not reinstate the Limits of Liability applicable to **claims** first made prior to the termination date.

b) Optional Individual TailCaresm Policy Available:

If requested by the first **Named Insured** within 60 days of the termination of employment or association of a Scheduled **health care provider** with the **Named Insured**, **ProNational** will make available a TailCaresm Policy that will provide an individual extended reporting period of unlimited duration to such **health care provider**. Within 30 days after **ProNational** is so notified, **ProNational** will notify the first **Named Insured** in writing of the availability of and the premium charge for the TailCaresm Policy. The first **Named Insured** will have 60 days after the date that it is so notified to request and pay the applicable premium for the TailCaresm Policy. The TailCaresm Policy cannot be cancelled by **ProNational** except for non-payment of the premium charge. The TailCaresm Policy will be issued and the premium charge will be computed in accordance with **ProNational's** forms, rules and rates in effect on the date that the TailCaresm Policy is to be effective. The premium charge will be waived at the request of the first **Named Insured** if, during the Policy Period of this CorpCaresm Policy, the Scheduled **health care provider**:

- (i) dies, or
- (ii) fully retires from practice on or after age 55, provided that he or she has been continuously insured with **ProNational** on a claims-made basis for the immediately preceding five years, or
- (iii) becomes totally and permanently disabled, so as to be unable to continue to practice his or her duties as a **health care provider**, as certified by a **physician** acceptable to **ProNational**.

In the event that the Limits of Liability of this CorpCaresm Policy have been increased within thirty-six months prior to the date that the Scheduled **health care provider** terminates his or her employment or association with the **Named Insured**, the Limits of Liability applicable for the TailCaresm Policy will be equal to the Limits of Liability in effect during the majority of the preceding thirty-six months. Within 60 days after the termination date, the first **Named Insured** may apply for additional coverage up to the amount of the Limits of Liability in effect on the termination date in accordance with **ProNational's** forms and rules in effect on the date that the TailCaresm Policy is to be effective.

If a TailCaresm Policy is issued as a result of retirement or disability of a Scheduled **health care provider** and that **health care provider** later resumes active practice, **you** agree to pay **ProNational** the pro rata additional premium for the TailCaresm Policy, computed in accordance with **ProNational's** rules in effect on the termination date.

6. **YOUR DUTIES IN THE EVENT OF A PROFESSIONAL INCIDENT, CLAIM OR LEGAL PROCEEDING**

If **you** become aware of any **professional incident** to which this **policy** may apply, **you** must immediately notify **ProNational** or one of its authorized agents. See "WHEN A CLAIM IS FIRST MADE." **You** shall also provide, as soon as possible, written notification to **ProNational**, including:

- (a) A complete description of the **professional incident**, including the time, place, circumstances, and the reasons which **you** believe give rise to a **claim**
- (b) Name, address, and age of a known or potential plaintiff
- (c) Names of witnesses, including other treating **physicians** and **dentists**

You shall forward to **ProNational** every summons, complaint, arbitration demand or other writing that **you** receive concerning a **legal proceeding**. **You** shall also inform **ProNational** of the substance of any communication from the plaintiff or potential plaintiff or his or her representative.

If **you** have other insurance available to cover a **professional incident** that is also covered under this **policy**, **you** shall promptly give notice of, and tender the defense of, the **professional incident** to the other insurer(s). For purposes of this section, "other insurance" includes any insurance coverage, self-insured fund or indemnification agreement available to **you**. In such event, **ProNational's** obligations will be as specified in the section entitled "COORDINATION OF COVERAGE."

You must fully cooperate with **ProNational** and defense counsel in the investigation, handling, and defense of the **legal proceeding**. **Your** duty to cooperate includes, but is not limited to:

- when requested, attendance at and preparation for meetings, hearings, depositions, and trials;
- securing and providing evidence and assisting in obtaining the attendance of witnesses;
- truthfully and completely informing **ProNational** about the facts and circumstances which surround any profes-

sional incident or legal proceeding and, specifically, the nature of **your** acts or omissions, so that **ProNational** may correctly assess liability;

- supplementing the information previously provided to **ProNational** or defense counsel as additional information becomes known to **you**.

You shall not, without **ProNational's** consent, take any action which may interfere with the defense of the **legal proceeding**, including but not limited to, attempting to settle or otherwise resolve the **legal proceeding**, or participate in any pre-trial panel relating to a **professional incident** to which this **policy** may apply.

You shall not alter, destroy, or otherwise dispose of any records relating to a **professional incident** for which a **claim** has been made under this **policy**.

7. POLICY CHANGES

Any request to change this **policy** must be in writing. No change will be effective unless an amended Declarations insert, schedule or endorsement is issued. Notice to, or knowledge possessed by, **ProNational**, any employee of **ProNational**, or an authorized agent, shall not affect, change, or waive any provision under this **policy**, unless either a revised Declarations insert, schedule, or an endorsement reflecting such knowledge is issued.

At **your** written request, **ProNational** will send to third parties certification of insurance. The certification does not extend or modify the coverages provided by this **policy**. It is **your** responsibility to advise the third parties of any subsequent **policy** changes or the expiration or cancellation of this **policy**.

8. ASSIGNMENTS AND TRANSFERS

You shall not assign this **policy**, or any rights or interests under it, without **ProNational's** written consent. **You** also shall not assign any cause of action against **ProNational** that relates to or arises in connection with this **policy** that is based on allegations that **ProNational** did not fulfill its obligations to **you** in good faith.

This section does not apply to an assignment made by order of the bankruptcy court, and **your** insolvency or bankruptcy will not relieve **ProNational** of its obligations under this **policy**.

9. RECOVERING DAMAGES FROM A THIRD PARTY

If **ProNational** makes a payment in accordance with this **policy**, **you** agree to assign any rights which **you** may have to recover from a third party to **ProNational**. **You** shall not do

anything to prejudice these rights and **you** agree to fully assist **ProNational** in enforcing these rights.

10. COORDINATION OF COVERAGE

Except as otherwise stated in this section, the insurance provided by this **policy** is primary, meaning that this **policy** will pay **damages** and **expenses** because of a **professional incident** to which this **policy** applies, until the applicable Limits of Liability of this **policy** are exhausted.

If **you** have other insurance which is not primary, **ProNational's** obligation under this **policy** is not affected because of the existence of such other insurance. However, if **you** have other insurance which is also primary, **ProNational** will not pay a greater share of **damages** than the applicable Limits of Liability of this **policy** bears to the total applicable limits of liability of all primary insurance for such **damages**. In no case shall **ProNational's** liability for **damages** and **expenses** under this **policy** be greater than the applicable Limits of Liability of this **policy**.

In two situations, the insurance provided by this **policy** is excess, meaning that **ProNational's** obligation to pay **damages** and **expenses** and provide a defense shall not commence until after the limits of liability of any other insurance available to **you** has been exhausted. Those situations are:

- (i) If coverage is provided by this **policy** for a **professional incident** arising out of those matters defined under subparagraphs (ii) or (iii) of the definition of **professional services**, and there is other insurance covering **you**, this **policy** shall be excess.
- (ii) If coverage is provided by this **policy** as the result of a **claim** first made during the extended reporting period, and there is other insurance covering **you**, this **policy** shall be excess.

This **policy** does not cover **claims** or **professional incidents** covered by other insurance that was in effect prior to this **policy**.

For purposes of this section, the term "other insurance" includes any insurance coverage (including insurance from **ProNational** or any other insurer), self-insured fund or indemnification agreement available to **you**.

11. ACTIONS AGAINST PRONATIONAL

You agree not to bring a cause of action against **ProNational** pertaining to **your** rights and obligations under this **policy** unless **you** have first complied with all of its conditions and requirements and other terms. Before any suit may be brought against **ProNational**, the amount of **your** liability for **damages** resulting from a **professional incident** must have been

determined either by written agreement signed by **you** and **ProNational**, or by decision in a contested **legal proceeding**. After the amount of **your** liability has been so determined, any person or legal representative thereof who has secured such written agreement or judgment shall be entitled to recover under this **policy**, subject to the Limits of Liability of this **policy**. No person or organization has any right under this **policy** to include **ProNational** in any **legal proceeding** against **you** to determine **your** liability nor can **ProNational** be joined as a co-defendant in any such **legal proceeding**.

Except as provided in the following sentence, in the event **you** file a complaint or suit against **ProNational** on any matter arising from or relating to this **policy**, the venue for such complaint or suit shall be the county which includes the capitol of the State of the first **Named Insured** as shown in the Declarations insert. Any cause of action against **ProNational** that relates to or arises in connection with this **policy** that is based on allegations that **ProNational** did not fulfill its obligations to **you** in good faith, shall be brought in arbitration in the county which includes the capitol of the State of the first **Named Insured** as shown in the Declarations insert, pursuant to the rules of the American Arbitration Association; and, the award of the arbitrators may be entered in any court having jurisdiction thereof.

ProNational's liability in any cause of action based on allegations that **ProNational** did not fulfill its obligations to **you** in good faith, shall not exceed the value of **your** assets that are legally subject to attachment and levy by a judgment creditor after the payment of **damages** and **expenses** available through this **policy**. For purposes of this limitation the "value of **your** assets" shall be determined as of the date of the judgment rendered against **you** and shall not include the subject cause of action against **ProNational**.

12. TERRITORY

The coverage provided in this **policy** applies to **professional incidents** occurring in the United States of America, its territories or possessions, Puerto Rico, and Canada, provided the **legal proceeding** is brought within the United States of America, its territories or possessions, Puerto Rico or Canada.

In addition to the coverage territory in the preceding paragraph, the coverage provided in this **policy** applies to **professional incidents** occurring anywhere in the world if the **professional incident** occurs while **you** are pursuing a course of professional training or in response to a bona fide emergency, provided that the **legal proceeding** is brought within the United States of America. **ProNational** will not defend such a **legal proceeding**, nor pay **damages** and **expenses** as a result of a **legal proceeding** brought outside of the United States of America.

This **policy** and the rights and obligations of **you** and **ProNational** shall be governed by the laws of the State of the first **Named Insured** as shown in the Declarations insert.

Any provision of the **policy** which, on its effective date, is in conflict with the statutes of the State of the first **Named Insured** as shown in the Declarations insert is hereby amended to conform to minimum requirements for those statutes.

13. PAYMENT OF PREMIUM

The premium charge for this **policy** is developed in accordance with **ProNational's** rates and rules which include a number of factors including the type of practice, place of practice, Limits of Liability, the number and profession of employees, the number and specialty of **health care providers** currently listed on the Schedule of Covered Health Care Providers of this **policy**, and the number and specialty of **health care providers** previously employed or associated with the **Named Insured** (a prior **health care provider** exposure charge).

Unless **ProNational** otherwise agrees in writing, the premium (or premium installment) must be paid on or before the due date. Failure to pay the premium (or premium installment) by the due date will result in coverage not becoming effective or existing coverage being cancelled.

14. RISK MANAGEMENT CONSULTATION

You agree to allow authorized representatives of **ProNational** to inspect **your** practice and pertinent medical or dental records for the purpose of risk management consultation. This inspection shall occur at reasonable times, as agreed to by **you** and the **ProNational** representative. A risk management consultation does not warrant that **your** practice is in compliance with any applicable statutes, rules, or regulations, or professional standards, or that the practice is free from exposure to a **legal proceeding** relating to **your** professional liability.

IN WITNESS WHEREOF, PRONATIONAL INSURANCE COMPANY has caused this **policy** to be signed by its duly authorized officers.



Steven L. Salman
President



Annette E. Flood
Secretary

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT - BROAD FORM

It is agreed that:

1. The **policy** does not apply:

(a) Under any Liability Coverage, to **professional incidents**

(i) with respect to which an insured under this **policy** is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(ii) resulting from the hazardous properties of nuclear material with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

(b) Under any Liability Coverage, to **professional incidents** resulting from the hazardous properties of nuclear material, if

(i) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

(ii) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(iii) the **professional incident** arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility.

2. As used in this endorsement:

"Insured" includes the **Named Insured** and all additional insureds;

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means source material, special nuclear material or byproduct material;

"Source material," "special nuclear material," and "byproduct material" have the meaning given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"Waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"Nuclear facility" means

(a) any nuclear reactor;

(b) any equipment or device designated or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing, or packaging waste;

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self supporting chain reaction or to contain a critical mass of fissionable material.